

CORPORATE NEWS

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Alzchem Group AG significantly increases EBITDA by 19.8% to EUR 56.3 million in the nine-month period 2023

- Sales growth in Specialty Chemicals segment supports increased EBITDA margin of 14.2%
- Free cash flow rises significantly to EUR 30.5 million
- Adjusted forecast 2023: Strong EBITDA growth to approx. EUR 80 million, sales stable at previous year's level

Trostberg, October 26, 2023 – Alzchem Group AG, a vertically integrated specialty chemicals supplier with a leading market position in selected niche markets, successfully held its ground in the first nine months of 2023. Despite a slight decline in sales of 2.7% from EUR 409.0 million to EUR 397.9 million, all key earnings figures were increased.

The earnings performance in the first nine months of 2023 was largely shaped by Alzchem's increasing focus on the much higher-margin specialty chemicals business. Despite the slight decline in sales and continued cost pressure, Alzchem achieved EBITDA of EUR 56.3 million, equivalent to growth of 19.8%. The resulting EBITDA margin increased year-on-year from 11.5% to 14.2%. As a result of the slight growth in consolidated net income to EUR 23.6 million, the equity ratio rose from 34.5% on December 31, 2022 to 37.6% on September 30, 2023.

With sales up 6.5% to EUR 228.5 million, the growth trend in the Specialty Chemicals segment continued, although not in all areas. While the purely chemical products (e.g. DYHARD® and Custom Manufacturing) recorded volume declines in line with the general market trend, the Human Nutrition (Creapure®), Animal Nutrition (Creamino®) and Agriculture (Dormex®) products, which are used as specialties close to the end customer, continued to expand very well or were maintained at the existing high volume level. The area of guanidine salts (nitroguanidine) for applications in airbags, crop protection and defense technology also grew significantly. By contrast, volumes in the Basics & Intermediates segment fell noticeably – partly as a result of a deliberate decision not to pursue high-volume business with lower margins and to engage in price wars with Asian competitors. Overall, segment sales here decreased by 15.6% to EUR 147.6 million.

Operating cash flow developed very positively in the first nine months of 2023. Due to the now significantly improved situation in the supply chains and logistics, Alzchem was able to significantly reduce its own safety stock levels on the raw materials and finished goods side. At the same time, investments continued to be made within the planned framework. Against this background, Alzchem was able to achieve a pleasingly positive free cash flow of EUR 30.5 million, which was EUR 66.8 million higher than the previous year's figure.

AGILE SCIENCE PURE RESULTS

Andreas Niedermaier, CEO of Alzchem Group AG: "Our strong earnings development in the nine-month period 2023 impressively reflects the broad diversification of our products and our high innovative strength. Thanks to our successful transformation towards the specialty chemicals business, we are benefiting disproportionately strong from our unique position in numerous products such as Creapure®, Dormex® and Creamino®, or in guanidine salts. This positive development is expected to continue for the full year."

As communicated via ad hoc release on October 18, 2023, Alzchem Group AG now expects sales for the full year 2023 to be at or slightly below the previous year's level of EUR 542.2 million as part of its adjusted forecast. In contrast, the forecast for EBITDA could be raised significantly. It is projected to grow strongly from EUR 61.4 million to approximately EUR 80 million.

The detailed quarterly statement on the third quarter of 2023 is available for download on the website www.alzchem.com in the [Investors/Publications](#) section.

About Alzchem

Alzchem is a globally active specialty chemicals company that is one of the market leaders in most of its fields of activity. Alzchem benefits from the three very different global developments climate change, population growth and longer life expectancy in a unique way. Alzchem products can offer attractive solutions for achieving the resulting social goals in a multitude of different applications.

The company sees interesting growth prospects for itself in the areas of human and animal nutrition and agriculture in particular. As a result of population growth, it is necessary to achieve efficient food production. Pharmaceutical raw materials and creatine products can contribute to a healthy old age as life expectancy increases. Alzchem is facing up to the goal of sustainability arising from climate change in the field of renewable energies and across the entire company. The fields of fine chemicals and metallurgy offer just as great a perspective.

Alzchem Group AG's broad product range includes dietary supplements, precursors for PCR tests and pharmaceutical raw materials. These offerings are the company's response to global trends and developments. Alzchem is ideally positioned in this respect and considers itself well prepared for an environmental future and global developments.

The company employs around 1,680 people at four production sites in Germany and a plant in Sweden, as well as three sales companies in the USA, China and England. Alzchem generated Group sales of around EUR 542.2 million and EBITDA of around EUR 61.4 million in 2022.